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PASS OPIC FOR DOHERTY AND HANSLEY

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SUBJECT: OPIC-SUPPORTED INVESTMENT FUND - TRINIDAD

REF: STATE 57353

¶1. Post is pleased to comment on reftel report of a possible OPIC-supported investment fund. AIC has had a presence in T&T since 2003. We understand that it was founded and is controlled by Jamaican Michael Lee-Chin, now residing in Canada. In July 2005, Central Bank Governor Williams spoke at an AIC event held for the T&T launch of its mutual funds business. He noted that savings held in mutual funds in T&T had grown from TT3.3 billion (\$550 million) in 1997 to TT20 billion (\$3.5 billion) in 2003. Most of that was with state-owned Unit Trust Corp. (UTC), but private entrants like AIC were beginning to appear in the market. Williams complimented AIC on offering its products here. He also said "urgent" mutual funds legislation was being introduced to provide enhanced protection to consumers considering private mutual funds.

¶2. Besides its mutual fund business, Lee-Chin is also reputed to be a 50-pct owner of Columbus Communications. Its local subsidiary, Columbus Communications Trinidad Ltd., recently acquired the incumbent provider of cable TV services on Trinidad. It received a new license in January to continue operations.

¶3. Regarding the sectors cited in reftel as of interest to AIC, tourism is a weak part of the T&T economy overall, though it is important to Tobago. Other sectors mentioned are seeing significant commercial activity and thus may figure prominently in future investment decisions.

¶4. The T&T economy has reached levels at which financial transactions can occur without governmental support. The T&T National Gas Company recently completed a \$400 million bond placement through Citigroup. It obtained market rates and was oversubscribed six times. A U.S. company, World GTL, is working on a project with Petrotrin to process surplus gas, and is financing the project commercially at competitive rates.

¶5. In conclusion, expected growth in the T&T economy will provide continuing opportunities to save and invest in coming years. In line with this trend, the T&T financial market is expanding and diversifying. Banks are receiving competition from non-bank institutions, just as agencies like UTC are facing private mutual fund operators. AIC has not been in operation long enough here to offer a T&T track record. However, its operations in Canada may prove sufficient for Washington in that regard.

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